

**MINUTES OF THE
NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE
January 28, 2009
Room 415, State Capitol Building, State Capitol Complex**

MEMBERS PRESENT: Sen. Dennis Stowell, Co-Chair
Rep. Kerry W. Gibson, Co-Chair
Sen. Brent Goodfellow
Rep. Roger Barrus
Rep. Jack Draxler
Rep. James R. Gowans
Rep. John G. Mathis
Rep. Michael E. Noel
Rep. Christine Watkins
Rep. Brad Winn

MEMBERS ABSENT: Sen. David Hinkins

STAFF: Ivan Djambov, Fiscal Analyst
Linda Service, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Rep. Gibson called the meeting to order at 2:20 p.m.

MOTION: Rep. Winn moved to accept the minutes of January 12, 2009 and January 21, 2009. The motion passed unanimously.

Sen. Stowell raised the question with the committee regarding reciprocal agreements between Nevada and Utah for ATV's. It was noted that many people from Las Vegas use the groomed trails in Iron, Garfield, and Kane counties but they do not have stickers. Mary Tullius, Director of State Parks and Recreation, stated they have been working on the situation and are looking for solutions to facilitate changes in regard to both Colorado and Nevada. Stickers are required for out of state ATV's, however, they are not being purchased. Sen Stowell asked to have copies of the rules and laws governing ATV's provided for committee members.

The Co-Chairs provided clarification to the visitors regarding the ongoing budget negotiations and expressed their continued determination to reflect the will of the committee.

Subcommittee Overview

Ivan Djambov, Fiscal Analyst, presented an overview of the agencies in the Subcommittee which include: Department of Natural Resources, Public Lands Policy Coordination Office, Agriculture and Food, and School and Institutional Trust Lands Administration. He reviewed the budget size of the agencies: Natural Resources 75% of the total budget at \$180,942,400; Agriculture 13% of the total budget at \$27,386,400; SITLA 11% of the total budget at \$26,471,900; and Public Lands 1% of the total budget at \$2,791,300. "What has happened to the budgets over time?" The total budget for the Subcommittee between 2005 and 2009 appropriated has grown 46%: Natural Resources increased 38%, Agriculture and Food increased 21%, Public Lands Policy Coordination Office increased 34%, and School and Institutional Trust Lands Administration increased 113%. Funding for the Subcommittee comes from the following: Restricted Revenues 40%, General Fund 30%, Federal Funds 22%, and Dedicated Credits 8%. Each of the funding categories has grown over the last five

years, including the General Fund. The 2009 appropriated does reflect the budget cuts that took place in the Special Session in September.

The Analyst reviewed a Summary of Year-End Balances of the Major Restricted Funds showing what the account balances looked like at the end of FY 2008. The table gives a brief overview for each funding source including a column comparing balances between two points of time - the end of FY 2007 and FY 2008. "What has happened to the Expenditures over time?" The total budget and expenditures have increased 46% over the past five years from \$166,619,200 to \$242,865,300: (1) personal service category has grown by 34%; (2) number of vehicles has grown by 5%; and cost per FTE has increased by 25%. The Analyst touched upon "What is the cost per FTE over time?" The schedule shows how the 25% of overall growth in cost per FTE breaks down by department or by agency. The cost of FTE for the state has increased by 21%, DNR by 24%, Agriculture by 22%, Public Lands by 15%, and SITLA by 41%. He answered questions posed by committee members. In addition, Mary Tullius responded to concerns.

The Analyst presented the Issue Brief: DNR Administration. He noted that DNR Administration is a line item within the Department of Natural Resources. The mission of DNR Administration is to ensure coordination and cooperation of the Natural Resources Divisions and to provide quality administrative support. The functions within this line item include: Executive Director's Office, Finance, Auditing, Public Affairs, Law Enforcement oversight, and Bear Lake Regional Commission. There are two budget requests, the first being a request for approval for internal transfer of funds. In order to correct a mistake in General Funds allocation for DTS services across operating budgets in DNR, the Department Administration has requested for FY 2010 an authorization to make a transfer of \$220,400 of ongoing General Funds to DNR Administration from among the line items as follows: (1) \$10,700 from the Division of Forestry, Fire, and State Lands; (2) \$68,500 from the Division of Parks and Recreation; (3) \$125,100 from the Division of Wildlife Resources; and (4) \$16,100 from the Division of Water Resources. The Analyst recommended the committee authorize the transfer. The second budget request is related to a money transfer. The Department utilized an Internal Service Fund (ISF) as a cost center for its information systems technology expenditures. Approximately three years ago this fund was abolished. A margin of safety totaling \$7,576.19 was left in the fund to pay for any expenses coming in after the end of the fiscal year but did not need to be used. The Department is requesting that the remaining balance of \$7,576.19 be appropriated from the fund to the DNR Executive Director's budget to pay for technology services. This transfer will allow the Division of Finance to close the account. The Analyst recommended the committee approve the request. The Analyst and Dennis Carver, Finance Director, DNR, responded to concerns from committee members regarding the above internal transfer of funds.

Division of Natural Resources Presentation

Mike Styler, Executive Director, Department of Natural Resources, introduced Commissioner Norm Weston and Commissioner William Cox both of Rich County, Bear Lake Regional Commission, and Mitch Poulsen, Executive Director. Commissioner Weston expressed appreciation for the support the legislature gives to the water quality issues around Bear Lake then responded to concerns of the committee. Director Styler distributed the Economic Report to the Governor 2009 and mentioned that Natural Resources and Mining are leading the economy in the state. He introduced his administrative team and those Division Directors in attendance. Rory Reynolds, Watershed Program, distributed a handout detailing successes of the Watershed Program. The program involves federal, state, local and private groups working in partnership to conserve and restore land health across the state. Director

Styler stated how proud he is of this program and the committee commended Mr. Reynolds for his efforts.

Director Styler distributed the Department of Natural Resources handout. The mission of Natural Resources is to connect life and landscape. The primary mission of administration is to ensure the coordination and cooperation of the divisions and to provide quality support. He discussed the primary services provided by administration, primary customers, and how the Department defines success. He stated they take performance measures seriously and make progress. He touched upon major issues and challenges facing the Department and noted the plan of action is as follows: (1) continue to pursue aggressive marketing and customer service to expand the market share in all service areas; (2) capitalize on the current economic downturn by capturing market share of consumers that normally travel out of state but can no longer afford to do so; (3) expand partnerships with businesses, local communities and other government entities to synergize recreational opportunities; (4) stay in constant communication with our customers and implement changes accordingly; and (5) continue to establish benchmarks and measure performance. He commented on the Total DNR Revenue by Source totaling \$170 million for FY 2008 and the DNR Administration Sources of Funds which are General Fund, Dedicated Credits, and Restricted Fund.

Director Styler expressed pride in the various Divisions and the efficiency they strive for. He thanked the committee for the work involved in the budget deliberations and hoped the leadership will accept the committee's recommendations. He responded to questions from the committee and invited Reed Harris, Director of the Recovery Program, to further answer questions.

Jim Karpowitz, Director, Division of Wildlife Resources, responded to a question from the committee regarding lifetime fishing and hunting licensing.

MOTION: Rep. Winn moved to adjourn at 4:05 p.m. The motion passed unanimously.

Sen. Dennis Stowell

Rep. Kerry Gibson